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REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE _____ WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd _____

DATE FILED 9-28-82

LAND: FEE & PATENTED STATE LEASE NO

X U-18452

INDIAN

DRILLING APPROVED: 9-28-82

SPUDDER IN:

COMPLETED: PUT TO PRODUCING

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR.

PRODUCING ZONES

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: 9.22.84 1A well pump drilled

FIELD: WILDCAT 3/86

UNIT:

COUNTY: **SAN JUAN**

WELL NO. NANCY FEDERAL #35-32

~~API NO. 43-037-30819~~

LOCATION **1350** FT. FROM (N) (S) LINE

~~SW NE~~

35

OPERATOR

TRICENTROL RESOURCES

Permitco

A Petroleum Permitting Company

September 22, 1982

State of Utah
Division of Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, UT 84114

RE: Tricentrol Resources, Inc.
#3532 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

RECEIVED

SEP 28 1982

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Tricentrol Resources Inc. proposes to drill a well at the above-mentioned location.

We realize that this location is a non-standard location, in accordance with the spacing rules for the State of Utah. This location was picked due to topography and extensive seismic work which was done in the immediate area.

Tricentrol Resources Inc. is the lease holder of all of Section 35, T37S-R25E. Therefore, no other lease holders will be affected by the drilling of the above-proposed well.

We, therefore, request your permission to drill this well at a non-standard location.

Sincerely,

PERMITCO

Lisa L. Green

Lisa L. Green
Consultant for
Tricentrol Resources Inc.

LLG/tjb

Enclosures

cc: MMS - Salt Lake City, Durango
BLM - Monticello
Tricentrol Resources Inc.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. Lease Designation and Serial No.

U-18452

6. If Indian, Allottee or Tribe Name

Unit Agreement No.
14-08-0001-20386

7. Unit Agreement Name

Little Nancy Unit

8. Farm or Lease Name

Nancy Federal

9. Well No.

#35-32

10. Field and Pool, or Wildcat

Wildcat

11. Sec., T., R., M., or Blk.
and Survey or Area

Sec. 35, T37S-R25E

12. County or Parrish

San Juan

Utah

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil
Well ☒Gas
Well ☐

Other

Single
Zone ☒Multiple
Zone ☐

2. Name of Operator

Tricentrol Resources Inc.

c/o Permitco

3. Address of Operator

1020 - 15th St., Ste. 22E, Denver, CO 80202

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1350' FNL & 1850' FEL

At proposed prod. zone

Sec. 35, T37S-R25E

14. Distance in miles and direction from nearest town or post office*

Located approx. 26-1/2 mi. SW of Dove Creek,

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

30'

16. No. of acres in lease

640

17. No. of acres assigned

to this well 40

18. Distance from proposed location*

to nearest well, drilling, completed,
or applied for, on this lease, ft.

6000'

19. Proposed depth

5800'

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

5462'

22. Approx. date work will start*

Upon approval of APD

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	9-5/8"	32.3#	1300'	300sx or sufficient to circ.
8-3/4"	5-1/2"	15.5#	5800'	250sx or sufficient to cover zones of interest

We propose to drill a well to 5800' to test the Ismay and Desert Creek formations. If productive, we will run casing and complete. If dry, we will plug and abandon as per Minerals Management Service and State of Utah requirements.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 9-30-82

BY: *Thomas E. Stout*

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

R. P. Grist

Title

Exploration Manager

Date

9-21-82

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Date

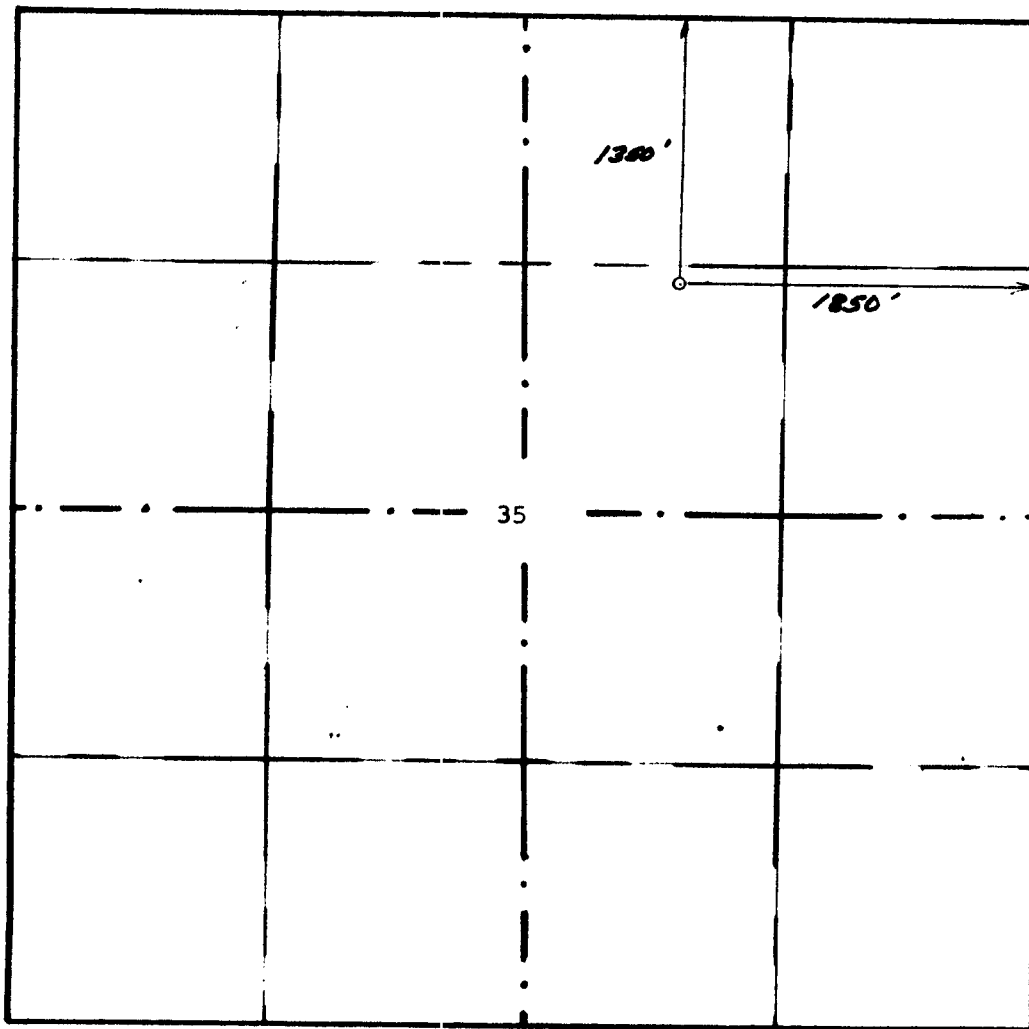
Conditions of approval, if any:



POWERS ELEVATION

PLAT #1

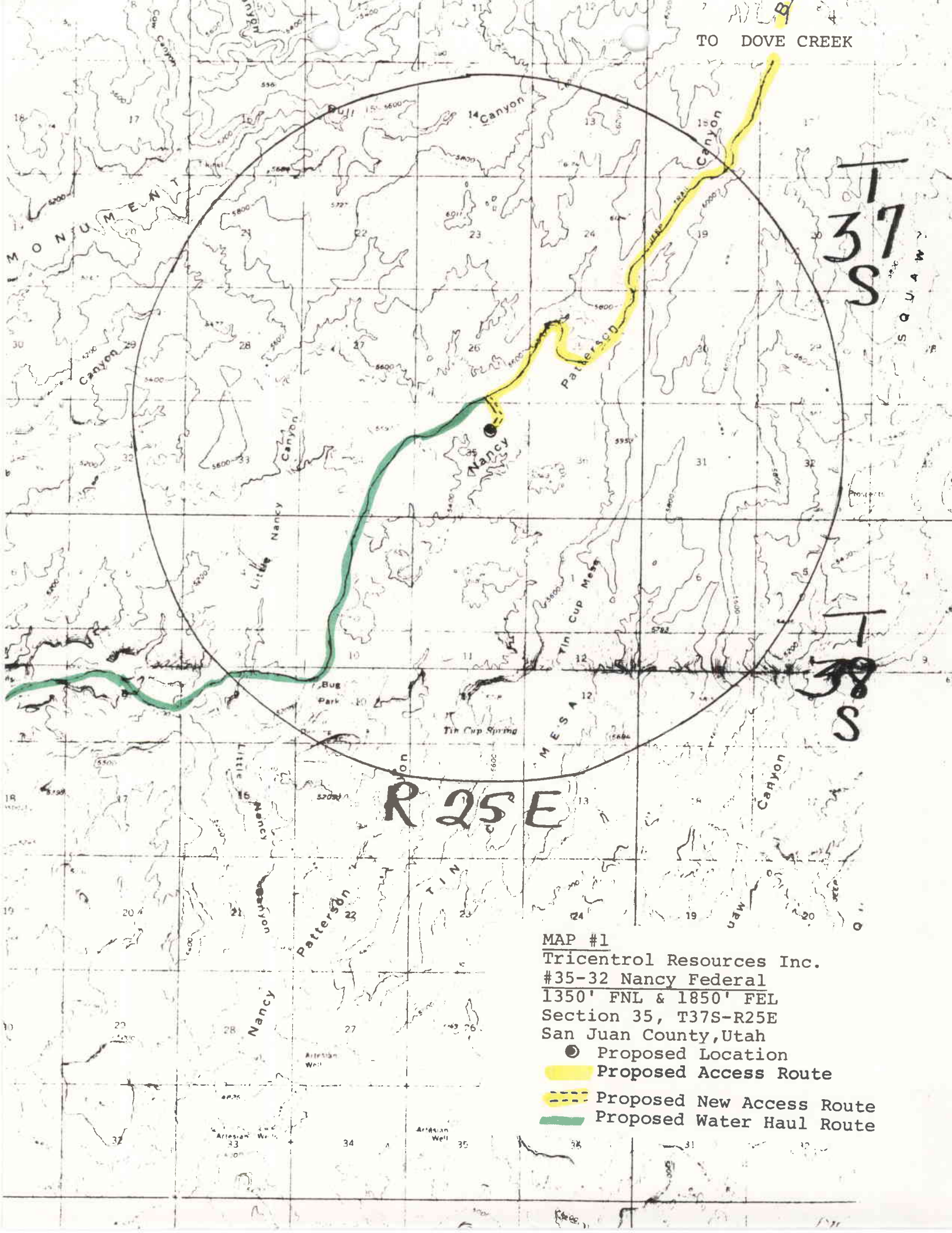
Well Location Plat



1"=1000'

Operator Tricentrol USA, Inc.		Well name 35-32 Nancy Federal	
Section 35	Township 37 South	Range 25 East	Meridian Salt Lake
Footages 1350' from the North & 1850' from the East			County/State San Juan, Utah
Elevation 5462'	Requested by Lisa Green		
The above plat is true and correct to the best of my knowledge and belief.			
4 Sept. 1982		<i>Gerald Huddleston</i> Gerald G. Huddleston, L.S. Utah Exception	

TO DOVE CREEK



MAP #1

Tricentrol Resources Inc.

#35-32 Nancy Federal

1350' FNL & 1850' FEL

Section 35, T37S-R25E

San Juan County, Utah

● Proposed Location

— Proposed Access Route

- - - Proposed New Access Route

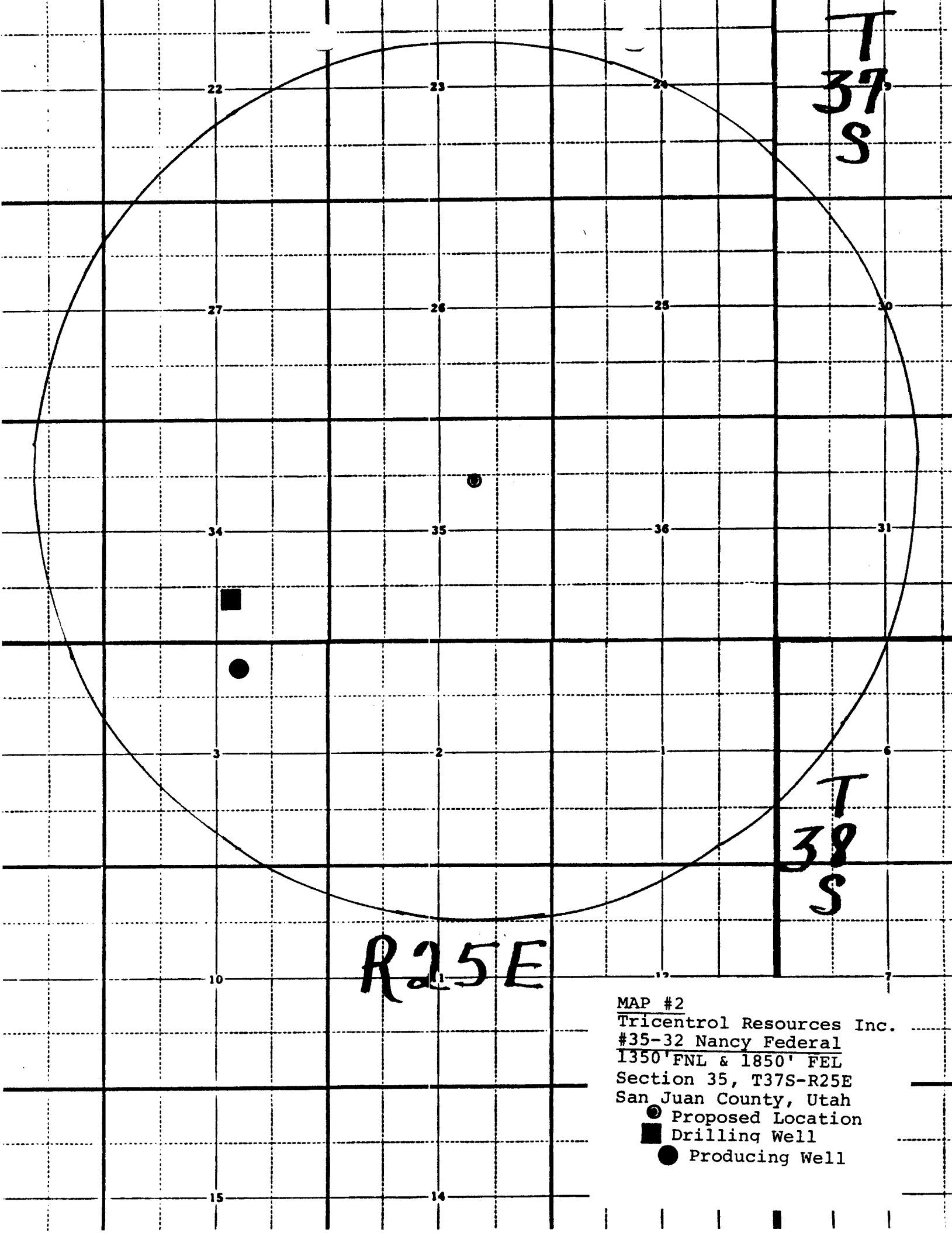
— Proposed Water Haul Route

T
37
S

T
38
S

R25E

MAP #2
Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah
● Proposed Location
■ Drilling Well
● Producing Well



NTL-6 PROGRAM

APPROVAL OF OPERATIONS

#35-32 NANCY FEDERAL
1350' FNL and 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

Prepared For:

TRICENTROL RESOURCES INC.

By:

PERMITCO
1020 Fifteenth Street, Suite 22E
Denver, Colorado 80202

Copies Sent To:

- 4 - MMS - Salt Lake City, Utah
- 1 - MMS - Durango, Colorado
- 1 - BLM - Monticello, Utah
- 1 - State of Utah - Minerals Division
- 5 - Tricentrol Resources Inc.

Permitco

A Petroleum Permitting Company

Tricentrol

RESOURCES INC.

Suite 200, Gateway Place
5675 South Tamarac Parkway
Englewood, Colorado 80111 U.S.A.
Telephone (303) 694-0988

September 13, 1982

Minerals Management Service
1745 W. 1700 S., Ste. 2000
Salt Lake City, Utah 84104

RE: NTL-6 Program

Nancy Federal #11-22
1400' FNL-1550' FWL, Sec. 11
T38S-R25E, San Juan Co., Utah

Nancy Federal #35-32
1350' FNL-1850' FEL, Sec. 35
T37S-R25E, San Juan Co., Utah

Nancy Federal #3-44
920' FSL-1050' FEL, Sec. 3
T38S-R25E, San Juan Co., Utah

Bull Canyon Federal #23-33
2130' FSL-1780' FEL, Sec. 23
T37S-R25E, San Juan Co., Utah

Gentlemen:

This letter is to inform you that Tricentrol hereby authorizes Permitco to prepare the above mentioned NTL-6 program and to attend to any other related matters.

If anything further is needed, please advise.

Sincerely,

TRICENTROL RESOURCES INC.

Richard P. Crist
Richard P. Crist
Area Exploration Manager

RPC:ram

TEN POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

1. The outcropping geologic formation is the Morrison.
2. The estimated formation tops to be encountered are as follows:

<u>Formation</u>	<u>Depth</u>
Entrada	430'
Chinle	1265'
Cutler	2530'
Hermosa	4480'
Ismay	5455'
Desert Creek	5710'
T.D.	5800'

3. The following depths are estimated for oil and gas bearing zones:

<u>Substances</u>	<u>Formations</u>	<u>Anticipated Depth</u>
Oil	Ismay	5510'
Oil & Gas	Desert Creek	5780'

4. a. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	
Surface	1300'	12-1/4"	9-5/8"	32.3#	H	ST&C	New
Production	5800'	8-3/4"	5-1/2"	15.5#	K	LT&C	New

- b. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-1300'	300 sx. lite. Tail in w/300sx. Class "B" + 2% CaCl or sufficient to circulate
<u>Production</u>	<u>Type and Amount</u>
0-5800'	250 sx. 50/50 poz mix-slurry 1000' fill or sufficient to cover zones of interest.

Permitco

A Petroleum Permitting Company

TEN POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

5. Blowout preventer stack will consist of a 10" 5000# BOP. See BOP Diagram. Equipment will be tested prior to drilling out from under surface and operational checks will be made daily thereafter.
6. Drilling fluid will be as follows:
- | <u>Interval</u> | <u>Mud Type</u> | <u>Mud Wt.</u> | <u>Visc.</u> | <u>F/L</u> | <u>PH</u> |
|-----------------|-----------------|----------------|--------------|------------|-----------|
| 0-4100' | Natural Gel | 9.0-9.3 | 35 | 20 | -- |
| 4100-5800' | Low Solids | 9.3-10.5 | 35 | 6-8 | 10.5 |
7. Auxiliary equipment to be used is as follows:
- Kelly cock
 - Float above the bit
 - Monitoring of the system will be done visually
 - A sub with a full opening valve will be on the floor when the kelly is not in use.
8. Testing, logging and coring will be as follows:
- One core will be run for 60' from 5760' in the Desert Creek formation.
 - Drill stem tests: 1) Ismay - 5510'; 2) Desert Creek - 5780'
 - The logging program will consist of Dual Induction-SFL; Dipmeter; Sonic Log; Neutron Density; and Velocity Survey.
 - Stimulation will be determined after the evaluation of the logs, DST's and cores that are run. If treatment is needed, a sundry notice will be submitted.
9. No abnormal pressures or hydrogen sulfide gas are anticipated during the course of drilling to T.D. The maximum bottom hole pressure to be expected is 3500 psi.
10. Tricentrol Resources Inc. plans to spud the #35-32 Nancy Federal upon approval of the APD and intends to complete the well within approximately one month after the well has reached T.D.

Permitco

A Petroleum Permitting Company

MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

Gentlemen:

We submit the following application and plats for permission to drill the #35-32 Nancy Federal.

1. Existing Roads

- a. The proposed well site and elevation plat is shown on Plat #1.
- b. Directions to the location from Dove Creek, Colorado are as follows: Go SW on Bug Point Road for 17 miles until it intersects with the Nancy Patterson Road. Go 2 miles on Nancy Patterson Road. Turn left and go 1/4 mile to the location.
- c. For access roads see Map #1.
- d. All existing roads within a 3-mile radius are shown on Map #1.
- e. This is a development well. All roads within a one-mile radius of the well site are shown on Map #1.
- f. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- g. Improvement to existing access will not be necessary and will be limited to a total existing disturbed width. New construction will be limited to a total disturbed width of 20 feet. Surfacing material will not be placed on the access road or location without prior BLM approval.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

2. Planned Access Roads

- a. New access road will be approximately 20 feet wide.
- b. The grade will be 4% or less.

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A Petroleum Permitting Company

MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

2. Planned Access Roads (cont.)

- c. There are no turnouts planned.
- d. There will be no ditching. Water bars will be constructed as directed by the Bureau of Land Management to control erosion. (To be done at a later date if production is established.)
- e. No low water crossings will be necessary.
- f. No culverts are planned. The maximum cut will be 16 feet. The maximum fill will be 4 feet.
- g. No gates, cattleguards, or fence cuts will be necessary.
- h. Only native materials will be utilized.
- i. The last 1/4 mile will be new access road and will be 20 feet wide with no grade to exceed 4%.

3. Location of Existing Wells With a Two-Mile Radius (See Map #2)

- a. Water wells - none
- b. Abandoned wells - none
- c. Temporarily abandoned wells - none
- d. Disposal wells - none
- e. Drilling wells - one
- f. Producing wells - one
- g. Shut in wells - none
- h. Injection wells - none
- i. Monitoring observation wells - none

4. Location of Existing and/or Proposed Facilities

- a. There is one set of production facilities and gas gathering lines owned or controlled by Tricentrol Resources Inc. within a one-mile radius of the proposed well.
- b. New facilities contemplated in the event of production are shown on Diagram #1.
 - 1. Proposed tank battery will be located as shown on Diagram #1.

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MULTI-POINT REQUIREMENT
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Tricentrol Resources Inc.
#35-32 Nancy Federal
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Section 35, T37S-R25E
San Juan County, Utah

4. Location of Existing and/or Proposed Facilities (cont.)

2. All flow lines from well site to battery site will be buried below frost line depth.
3. Dimensions of the facilities will be 206 feet long and 175 feet wide. See Diagram #1.
4. Only native materials will be utilized.
5. An earthen dike utilizing subsoil in the surrounding area will be built around the storage tanks and separator to contain oil should a leak occur. Any necessary pits will be properly fenced to prevent any wildlife entry. The production pit will be flagged overhead.
6. The reserve pit will be fenced and allowed to dry. Then all pits will be backfilled. The location not needed for production will be leveled, contoured and reseeded as per BLM requirements.
7. The access shall be upgraded to the following specifications (if production is established). The road shall be 20 feet wide crowned and ditched. Culverts will be installed as deemed necessary by the Bureau of Land Management.

5. Location and Type of Water Supply

- a. The source of water will be the Perkins Ranch which is located in Section 12, T38S-R25E. Directions to the water source are shown on Map #1.
- b. Water will be trucked to location over the roads marked on Map #1.
- c. No water well is to be drilled on this lease.

6. Source of Construction Materials

- a. Only native materials are to be utilized.
- b. No construction materials will be taken off Federal land.
- c. Surface and subsoil materials in the immediate area will be utilized. Any gravel will be purchased from a commercial source.
- d. All major access roads are shown on Map #1.

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MULTI-POINT REQUIREMENTS
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Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

7. Methods for Handling Waste Disposal

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. Drilling fluids are to be contained in the reserve pit.
- c. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- d. A chemical porta-toilet will be furnished with the drilling rig.
- e. If a trash pit is used, it will be constructed near the mud tanks with steep sides and dug at least six feet into solid undisturbed material. It will be totally enclosed with fine mesh wire before the rig moves in.
- f. The reserve pit will not be lined. At least half of the capacity will be in cut.
- g. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling operations begin. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
- h. Trash will not be disposed of in the reserve pit. Garbage and non-flammable waste are to be contained in the trash pit. Flammable waste is to be contained in the burn pit. The trash is to be burned periodically and the remains buried when the well is completed. A burning permit will be obtained from the State Fire Warden before burning trash.
- i. All trash, garbage, etc. is to be gathered and buried at the end of drilling operations and covered with a minimum of two feet of earth. Immediately on completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. Nonburnable debris will be hauled to a local town dump. Reserve and mud pits will be allowed to dry after drilling is completed and then adequately filled and leveled. All garbage and sewage pits will be filled as soon as the rig leaves the location.

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MULTI-POINT REQUIREMENTS
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Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

8. Ancillary Facilities

- a. There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. See Diagram #2 for rig layout. See Diagram #3 for cross section of drill pad. See Diagram #4 for cuts and fills.
- b. The location of mud tanks; reserve, burn and trash pits; pipe racks; living facilities and soil stockpiles will be shown on Diagram #2. The location will be laid out and constructed as discussed during the pre-drill conference.

10. Plans for Restoration of Surface

- a. Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- b. The operator or his contractor will contact the BLM office in Monticello, Utah (801/587-2201) 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- c. Before any dirt work to restore the location takes place, the reserve pit will be completely dry.
- d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be scarified with the contour to a depth of 12 inches.
- f. Water bars will be built as follows to control erosion:

<u>Grade</u>	<u>Spacing</u>
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
5+%	Every 50 feet

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MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

10. Plans for Restoration of Surface (cont.)

- g. Seed will be broadcast between October 1 and February 28 with the following prescription. When broadcast seeding, a harrow or similar implement will be dragged over the seeded area to assure seed cover.

Seed Mixture:

- 2 lbs./acre - Indian Ricegrass
- 2 lbs./acre - Fourwing Saltbush
- 1 lb./acre - Alkali Sacaton
- 1 lb./acre - Shadscale
- 1 lb./acre - Curley grass

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

- h. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
- i. The access shall be upgraded to BLM Class III road specifications, if production is established.
- j. The top six inches of soil material will be removed from the location and stockpiled separate from the trees on the northwest side of the location. Topsoil along the access will be reserved in place.

11. Other Information

- a. Topography: The well pad is located on relatively gentle terrain along the lower southwest trending slopes of Bug Point.

Soils: The sediments consist of gravelly, sand loam.

Vegetation: This area consists of pinyon, juniper, and other various grasses.

Fauna: These are mostly burrowing animals. There is a possibility of some livestock, although none were seen at the predrill inspection.

Permitco

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MULTI-POINT REQUIREMENTS
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Tricentrol Resources Inc.
#35-32 Nancy Federal
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Section 35, T37S-R25E
San Juan County, Utah

11. Other Information (cont.)

- b. The surface in the area is owned by the Bureau of Land Management and may be used for grazing; however, no live-stock were in the area at the time of the inspection.
- c. The nearest water is the Perkins Ranch.
- d. The nearest occupied dwelling is approximately six miles southwest of the location at Perkins Ranch.
- e. An archeological study was performed. No significant cultural resources were found and clearance is recommended. See Archeological report attached.
- f. Drilling will begin approximately January 1, 1982.
- g. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they are subject to prosecution for disturbing archeological sites or picking up artifacts. Salvage or excavation of identified archeological sites will only be done if damage occurs.
- h. The operator will notify the San Juan Resource Area BLM Office in Monticello, Utah (801/587-2201) 48 hours prior to beginning any work on public land.
- i. The San Juan County Road Department in Monticello, Utah will be contacted prior to use of county roads. (801/587-2249)
- j. The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work is done.

12. Lessee's or Operator's Representative

Lisa Green will be Tricentrol Resources Inc.'s representative. Miss Green can be reached by telephone in Denver, Colorado at her office (303/595-4051).

13. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Tricentrol Resources Inc. and its contractors and subcontractors in conformity with the terms and conditions under which it is approved.

9/24/82
Date

Lisa L. Green
Lisa L. Green - PERMITCO - Agent for: Tricentrol Resources Inc.

Permitco

A Petroleum Permitting Company

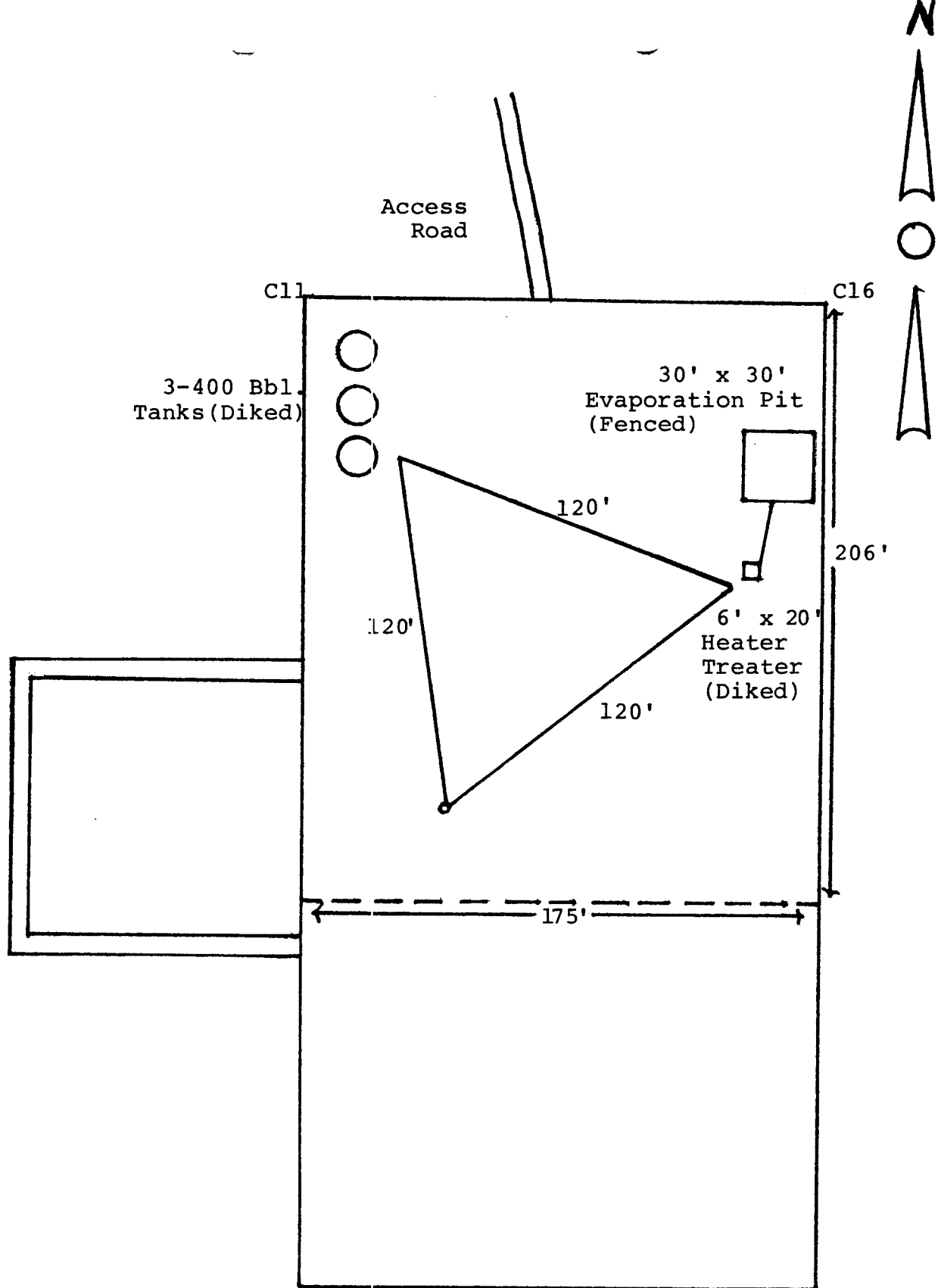


DIAGRAM #1
 Production Facilities
 Tricentrol Resources Inc.
 #35-32 Nancy Federal
 1350' FNL & 1850' FEL
 Section 35, T37S-R25E
 San Juan County, Utah

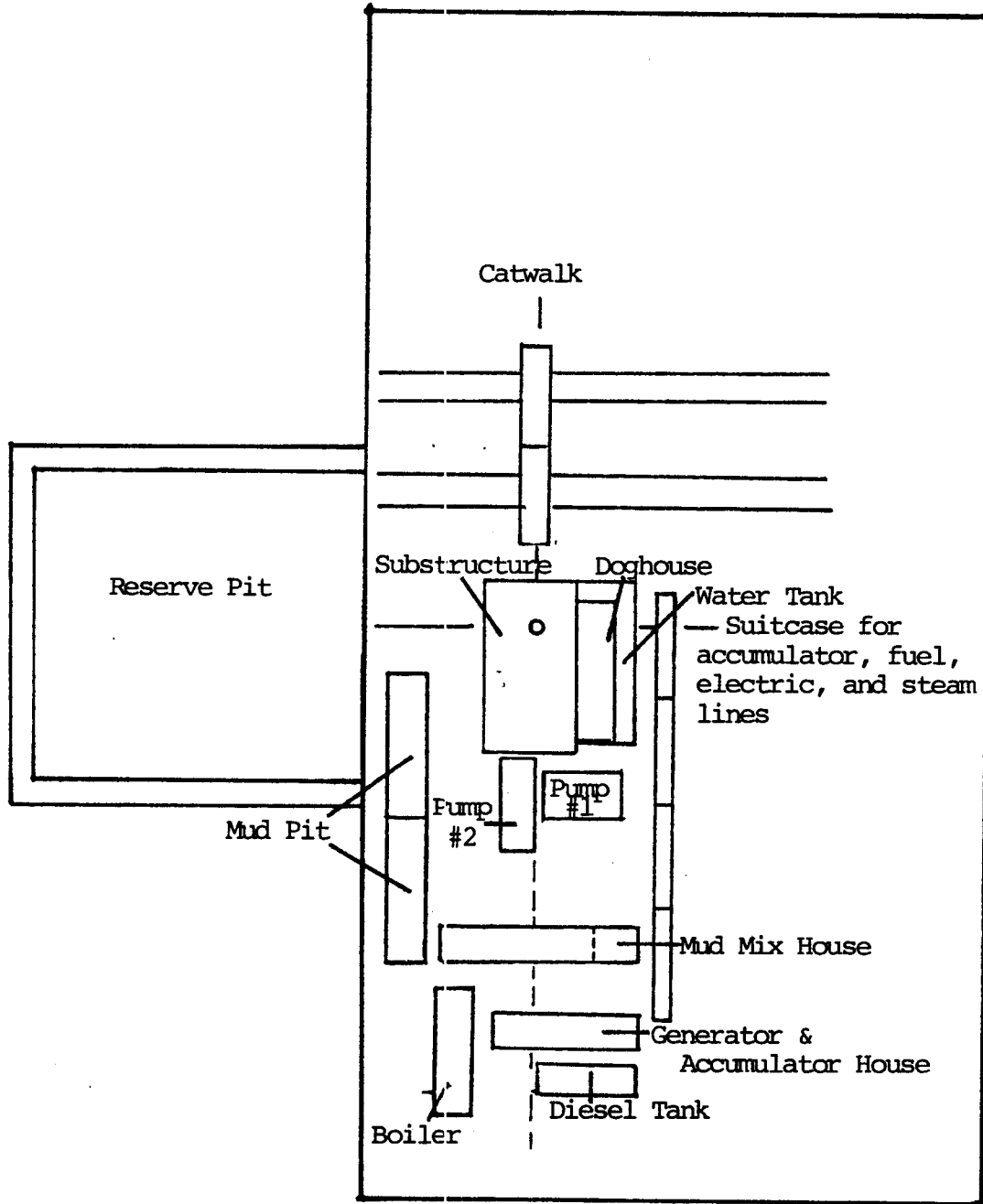


DIAGRAM #2
Rig Layout
Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah



POWERS ELEVATION

Well 35-32 Nancy Federal

OIL WELL ELEVATIONS - LOCATIONS
ENVIRONMENTAL - ARCHAEOLOGICAL SERVICES
888 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222
PHONE NO. 333/3211-3217

Cut ///////////////
Fill: ~~~~~

Scales: 1"=50'H.
1'=20'V.

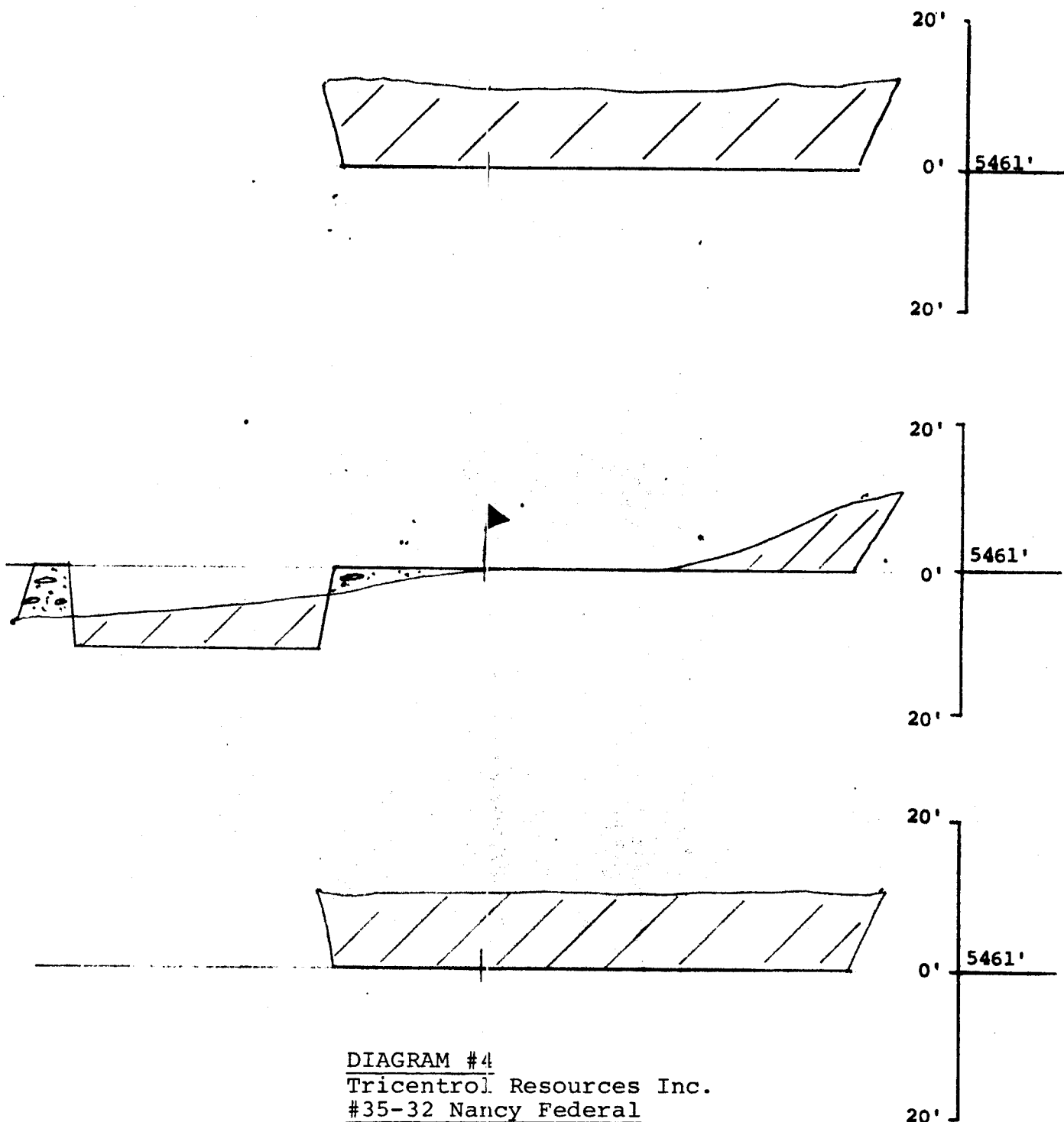


DIAGRAM #4
Tricentrol Resources Inc.
#35-32 Nancy Federal
1350' FNL & 1850' FEL
Section 35, T37S-R25E
San Juan County, Utah

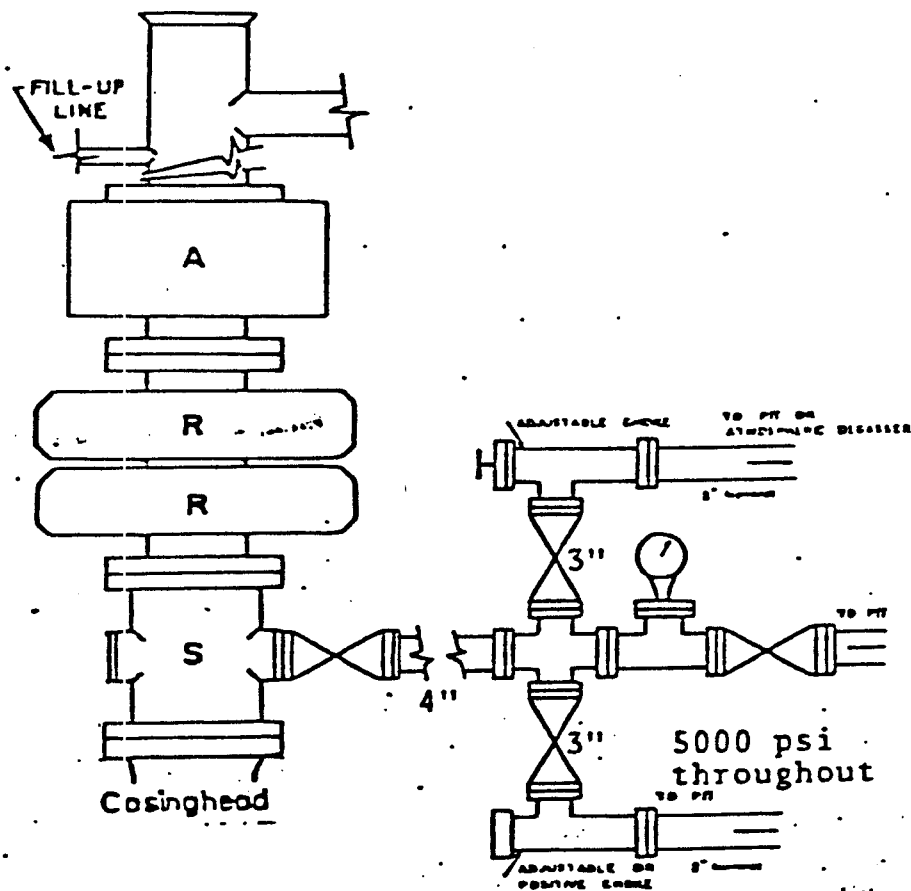
ANDERSON-MYERS DRILLING COMPANY

Blowout Preventer and Choke Manifold

RIG # 18

Shaffer Spherical
10" 5000

Shaffer 'LWS'
10" 5000



ARCHEOLOGICAL SURVEY OF
TRICENTROL UNITED STATES, INC.'S
NANCY FEDERAL #35-32 WELL PAD
AND ACCESS ROAD
SAN JUAN COUNTY, UTAH

LAC REPORT 8220

BY
PATRICK L. HARDEN

LA PLATA ARCHEOLOGICAL CONSULTANTS, INC.
P.O. BOX 783
DOLORES, COLORADO 81323
303-882-4933

SEPTEMBER 7, 1982

Federal Antiquities Permit
#82-UT-160

Prepared For:
Tricentrol United States, Inc.
Suite 200
5675 S. Tamarac Parkway
Englewood, Colorado 80111

La Plata Archeological Consultants, Inc.

Pcst Office Box 783
Dolores, Colorado 81323
(303) 882-4933

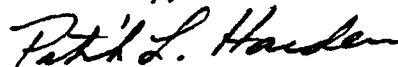
September 8, 1982

Mr. James Dykman
Utah State Historical Society
Antiquities Section
300 Rio Grande
Salt Lake City, Utah 84101

Mr. Dykman:

Please find enclosed the archeological survey report prepared for Tricentrol United States, Inc.'s Nancy Federal well #2-12 located in San Juan County, Utah on State owned lands. Also enclosed is the survey report and site forms for cultural resources located in conjunction with the archeological survey for Tricentrol's Nancy Federal #3-44 well located on BLM properties.

Sincerely,



Patrick L. Harden.
President

PLH/rjs

Distribution:

Permitco, Denver, Colorado
Tricentrol United States, Inc.
USGS, Salt Lake City, Utah (4)
USGS, Durango

ABSTRACT

An archeological survey of Tricentrol United States, Inc.'s Nancy Federal #35-32 well pad and approximately 400 feet of access road was conducted on September 2, 1982, by Patrick L. Harden of La Plata Archeological Consultants, Inc., Dolores, Colorado. The project is located on lands administered by the San Juan Resource Area of the Bureau of Land Management, San Juan County, Utah. No cultural resources were located and archeological clearance is recommended.

INTRODUCTION

The archeological survey for the Nancy Federal #35-32 well pad project was requested by Ms. Lisa Green, acting permit agent for Tricentrol. The survey was performed in conjunction with the pre-drill inspection conducted on September 2, 1982. Persons attending the pre-drill were Ms. Green (Permitco), Terry Simcoe and Jim Walters (Tricentrol), Brian Wood (BLM), Don Englishman (USGS), Gerald Huddleston (land surveyor), Jerry Husky (Urado Construction), and Patrick Harden (LAC).

The well pad is located in the NE $\frac{1}{4}$, SW $\frac{1}{4}$, NE $\frac{1}{4}$ of section 35, T37S, R25E, San Juan County, Utah. The area is included on the Monument Canyon, Utah-Colo. 15' series topographic map (1957).

PROJECT DESCRIPTION

The proposed project consists of the construction of a

single well pad and ca. 400' of access road. The well pad will be ca. 250 x 330' in size. Both the well pad and access route were staked and flagged by the land surveyor prior to the archaeological inspection. The access route joins an improved dirt road north of the well pad.

The project area is located on relatively gentle terrain along the lower southwest trending slopes of Bug Point. Vegetation is relatively open, with a pinyon-juniper plant community dominant along ridges, and grassland in swales and areas of low relief. Sediments consist of gravely sandy loam, with deflated and eroded surfaces present in the well pad area. There are no sources of potable water presently in the immediate project vicinity.

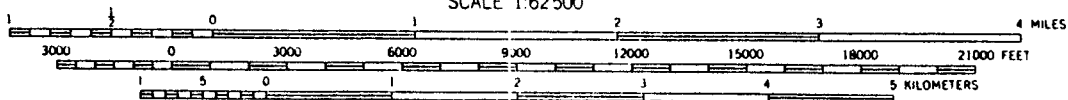
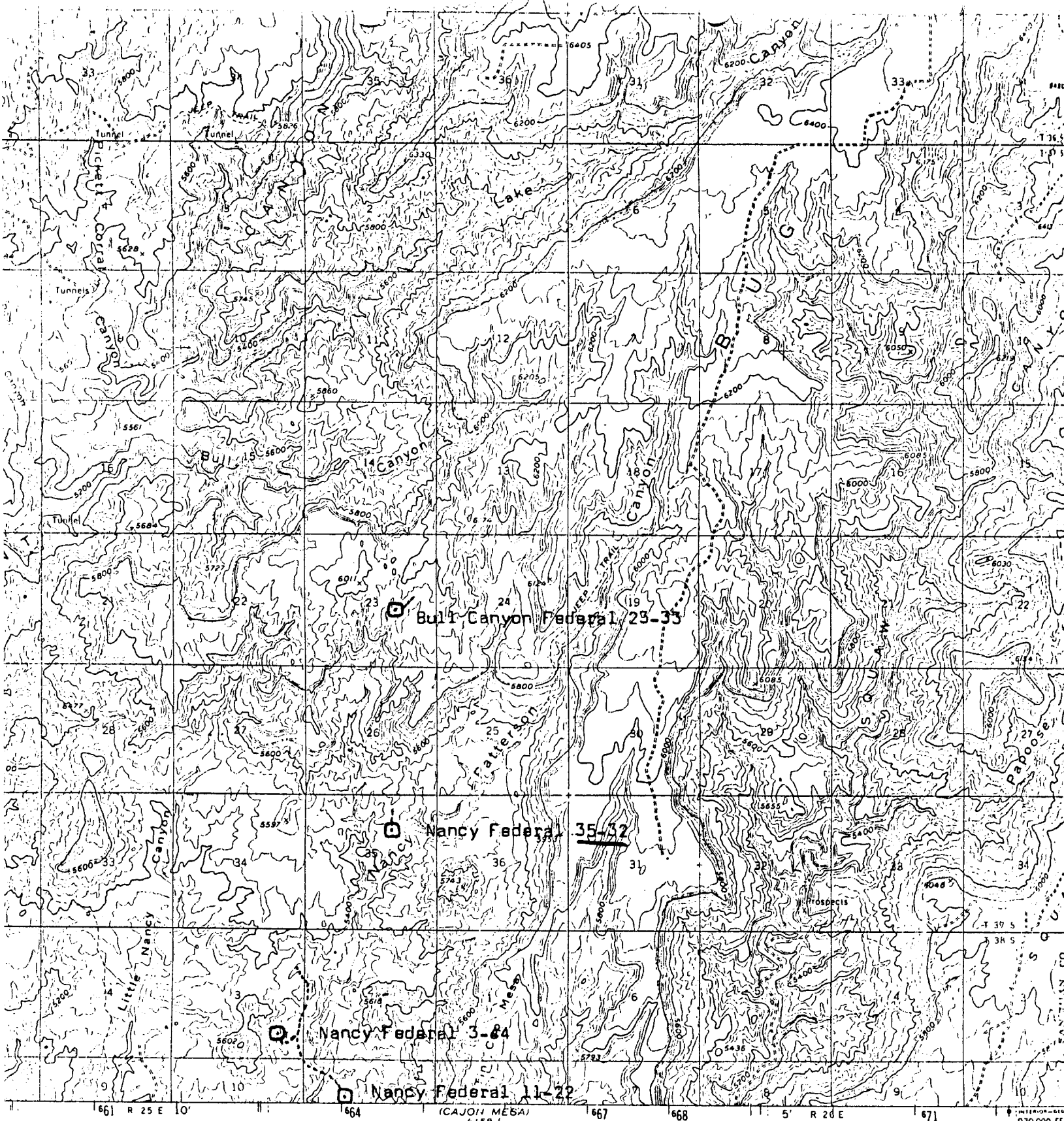
EXAMINATION PROCEDURES

A file and literature review was conducted at the San Juan Resource Area office of the BLM on September 1st, prior to the field examination. None of the well pad area has been previously inventoried, and no significant cultural resources are in or near the project area. An area 600 x 600' surrounding the well pad center stake, and a 100' wide corridor along the access route were surveyed for cultural resources. A series of transects spaced 15 meters apart were walked over the entire area.

RESULTS

No cultural resources were found in the well pad or access road areas. The nature of the sediments in the area make the

possibility for buried cultural deposits being present highly unlikely. Archeological clearance is recommended for this project.

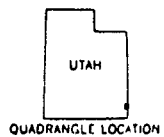


CONTOUR INTERVAL 40 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

MONUMENT CANYON, UTAH-COLO.

N3730—W10900/15

1957



QUADRANGLE LOCATION

110 AND 1957 MAGNETIC NORTH
NATION AT CENTER OF SHEET

OPERATOR TRICENTRAL RESOURCES INC DATE 9-30-81

WELL NAME NANCY FEDERAL # 35-32

SEC SWNE 35 T 37 S R 25 E COUNTY SAN JUAN

43-637-30819
API NUMBER

FED
TYPE OF LEASE

POSTING CHECK OFF:

☐

INDEX

☒

HL

☐☐

NID

☒

PI

☐☐

MAP

☒☐

PROCESSING COMMENTS:

UNIT WELL, THEREFORE REQUESTED SPACING EXCEPTION

NOT APPLICABLE

RTF ✓

APPROVAL LETTER: 3-25-82

SPACING: ☒ A-3 LITTLE NANCY
UNIT

☐ c-3-a _____ CAUSE NO. & DATE

☐ c-3-b

☐ c-3-c

SPECIAL LANGUAGE:

☒ RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

☒ AUTHENTICATE LEASE AND OPERATOR INFORMATION *FED*

☒ VERIFY ADEQUATE AND PROPER BONDING *FED*

☒ AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

☐ APPLY SPACING CONSIDERATION

☐ ORDER *NO*

☒ UNIT *LITTLE NANCY*

☐ c-3-b

☐ c-3-c

☒ OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

☒ *POTASH - NO*

September 30, 1982

Tricentrol Resources Inc.
c/o Permitco
1020 - 15th St. Suite 22E
Denver, Colorado 80202

RE: Well No. Nancy Federal #35-32
SWNE Sec. 35, T.37S, R.25E
San Juan County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Section 40-6-11, Utah Code Annotated 1953; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

RONALD J. FIRTH - Engineer
Office: 533-5771
Home: 571-6068

OR


CLEON B. FEIGHT - Director
Office: 533-5771
Home: 466-4455

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30819.

Sincerely,


Norman C. Stout
Administrative Assistant

NCS/as
cc: Minerals Management Service
Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
MINERALS MANAGEMENT SERVICE
OIL & GAS OPERATIONS
RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> SALT LAKE <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-18452	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Unit Agreement No. 14-08-0001-20386	
2. NAME OF OPERATOR Tricentrol Resources Inc. c/o Permitco		7. UNIT AGREEMENT NAME Little Nancy Unit	
3. ADDRESS OF OPERATOR 1020 - 15th St., Ste. 22E, Denver, CO 80202		8. FARM OR LEASE NAME Nancy Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1350' FNL & 1850' FEL At proposed prod. zone Sec. 35, T37S-R25E		9. WELL NO. #35-32	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Located approximately 26-1/2 mi. SW of Dove Creek, CO		10. FIELD AND POOL, OR WILDCAT Wildcat	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 30'		11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA Sec. 35, T37S-R25E	
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH 13. STATE San Juan Utah	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 6000'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
19. PROPOSED DEPTH 5800'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5462'		22. APPROX. DATE WORK WILL START* Upon approval of APD	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	32.3#	1300'	300sx or sufficient to circ.
8-3/4"	5-1/2"	15.5#	5800'	250sx or sufficient to cover zones of interest

We propose to drill a well to 5800' to test the Ismay and Desert Creek formations. If productive, we will run casing and complete. If dry, we will plug and abandon as per Minerals Management Service and State of Utah requirements.

RECEIVED
OCT 08 1982DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED R. P. Crist TITLE Exploration Manager DATE 9-21-82

(This space for Federal or State office use)

PERMIT NO. HT Martin APPROVAL DATE OCT 07 1982
APPROVED BY E. W. Guynn District Oil & Gas Supervisor
CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPYFLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
DATED 1/1/80

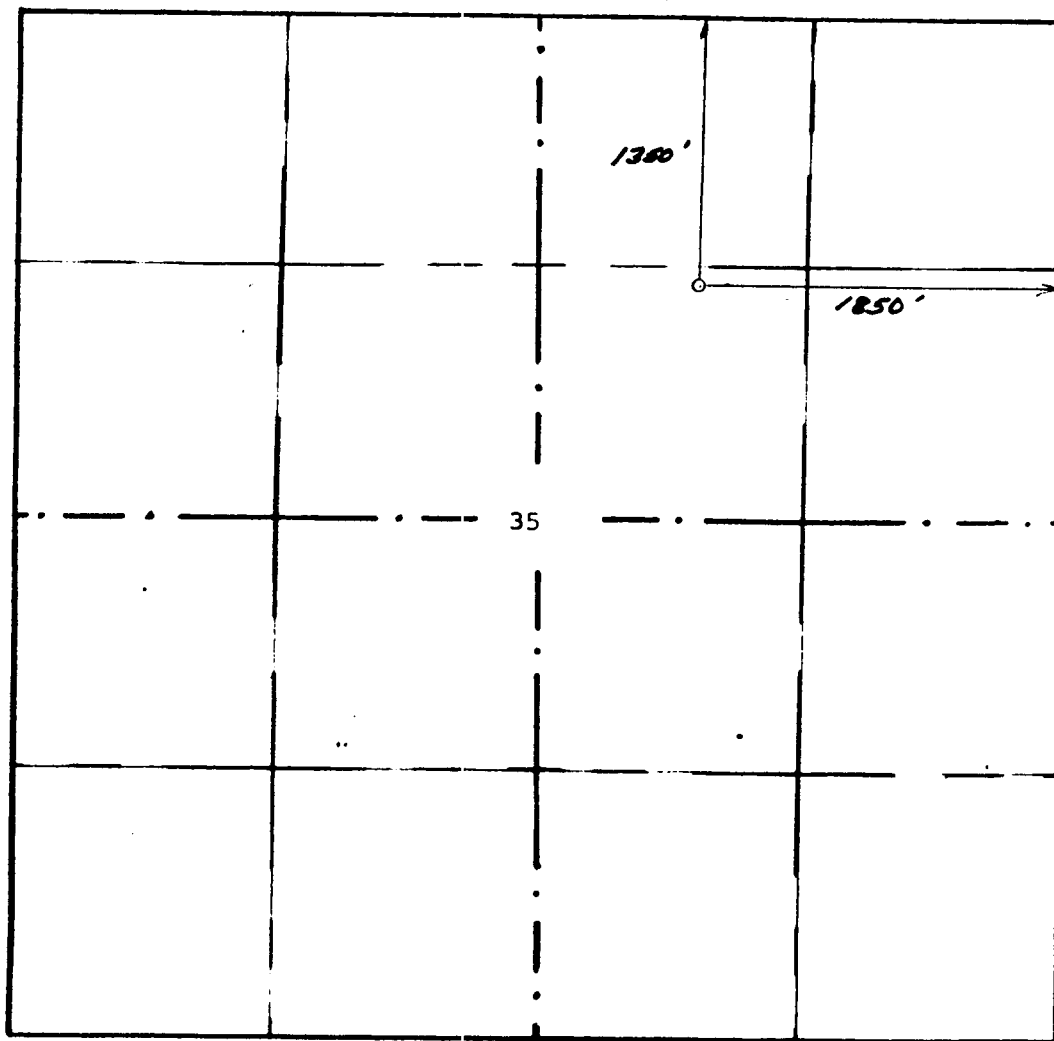
State O&G



POWERS ELEVATION

PLAT #1

Well Location Plat



1"=1000'

Operator Tricentrol USA, Inc.		Well name 35-32 Nancy Federal	
Section 35	Township 37 South	Range 25 East	Meridian Salt Lake
Footages 1350' from the North & 1850' from the East			County/State San Juan, Utah
Elevation 5462'	Requested by Lisa Green		
The above plat is true and correct to the best of my knowledge and belief.			
14 Sept. 1982		 Gerald G. Huddleston, L.S. Utah Exception	

Tricentrol Resources Inc.
Well No. 35-32
Section 35, T.37S., R.25E.
San Juan County, Utah
Little Nancy Unit
Lease U-18452

Supplemental Stipulations

- 1) If production results, all above ground production facilities will be painted an earth tone color to be approved by the Bureau of Land Management.
- 2) Adequate and sufficient electric/radioactive logs will be run to locate and identify the saline minerals in the Paradox formation. Casing and cementing programs will be adjusted to eliminate any potential influence of the well bore or productive hydrocarbon zones on the saline minerals resource. Surface casing program may require adjustment for protection of fresh water aquifers. (See attached tentative casing and cementing program for the Uinta Basin.)

ADDITIONAL STIPULATIONS FOR PRODUCTION FACILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.



United States Department of the Interior

CONSERVATION DIVISION
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

February 2, 1981

General Outline for the Protection and Isolation of Ground Water and Oil Shale in the Uinta Basin.

The oil shale occurs with varying thicknesses in most parts of the Uinta Basin and at varying depths. Ground water also occurs at varied depths above and below the Oil Shale. These ground waters have varying degrees of salinity. Nonetheless, drilling for hydrocarbon in the Uinta Basin should provide for the protection of the oil shale and the ground water if either is present.

The protection of the oil shale and the ground water can effectively be carried on through the design of an adequate casing and cementing program for each well drilled in the area.

In the Uinta Basin, water occurs mainly in the Uinta and the Green River formations. As drilling for hydrocarbon gets deeper into the crust of the earth, more ground water might be encountered and will be protected as it is encountered.

This notice's purpose is to attempt to lay the groundwork for a casing program and cementing program that will protect the oil shale and the ground water if present.

These programs are to be considered as guidelines. The specificity of casing depth, amount of cement and the depth of staging collars will be considered on an individual basis after a careful study of the logs of each individual well. Cementing from the bottom up is an economical solution if carefully conducted.

The casing and cementing program presented here as an example, will assume that fresh water was encountered in the upper parts of the Green River, that the oil shale occurs in the middle of the Green River (1000 foot section) and that some ground water is encountered in the lower parts of the Green River.

In this case, three areas will have to be cemented to assure the integrity of the ground water and oil shale. These areas are above the upper fresh water, across the oil shale and below the lower water aquifer. Deep aquifers that do not contain useful water are cemented to prevent water zone influence on production.

The following casing and cementing program will be appropriate for this example:

- A. Surface casing is set at approximately 300 feet and cemented to the surface.

B. The next casing string will be set at approximately 300 feet below the lowest aquifer. Cementing will be done in three stages, using two stage collars and cement baskets or equivalent as described below and on attached sketches:

1. Cement first stage through the casing shoe to fill annulus back to base of lower aquifer.
2. Place 1st stage collar (with cement basket immediately below) at a selected point at the base of the oil shale. Cement will have to reach top of oil shale.
3. Place 2nd stage collar (with cement basket immediately below) 50 feet above the top of the Bird's Nest aquifer and cement to at least 300 feet above the stage collar.

C. The above is an example. Reasonable equivalents that accomplish these same protective measures, (such as cementing the water zones instead of isolating them), depending on the individual cases will be considered for approval.

D. When the above mentioned well is to be abandoned, inner-casing plugs will have to be placed at the same depth as the above mentioned annulus cement jobs.

The use of cement bond logs will verify the authenticity of the cement job performed.

E. The Operator of such well should notify U.S.G.S. 48 hours prior to commencement of casing and cementing activity, so a technician could be dispatched to witness the operations to verify compliance with casing and cementing program.

Attached Sketches:

1. Schematic of the required casing and cementing program.
2. Cross section of the Uinta Basin.
3. Schematic of the general ground water protection program.

E. W. Guynn
District Oil and Gas Supervisor

AMR/kr

PARTIAL CASING & CEMENTING PROGRAM FOR WELLS
NATURAL BUTTES FIELD. HINTAH COUNTY, UTAH

NO SCALE

Uinta formation.

BIRDS NEST AQUIFER
HORSEBENCH SANDSTONE

GREEN RIVER

OIL SHALE ZONE

DOUGLAS CREEK
AQUIFER

LIMESTONE & SANDSTONE

CEMENT BASKET IS PLACED
50' ABOVE TOP AQUIFER.
CEMENT TO RISE A
LEAST 300' IN ANNULUS

STAGE COLLAR
CEMENT BASKET

CEMENT BASKET IS SET AT
CONSOLIDATED SECTION AT THE
BASE OF THE OIL SHALE ZONE
CEMENT TO REACH THE TOP
OF THE MAHOGANY ZONE

CEMENT WILL REACH BASE
OF LOWER AQUIFER



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

January 3, 1984

Tricentrol Resources Inc.
c/o Permitco
1020-15th Street Suite 22E
Denver, Colorado 80202

RE: Well No. Nancy Fed. #35-32
API #43-037-30821
1350' FNL, 1850' FEL SW/NE
Sec. 35, T. 37S, R. 25E.
San Juan County, Utah

Gentlemen:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded effective one calendar month from the date of this notice.

A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

Respectfully,

Norman C. Stout
Administrative Assistant

NCS/cj

3100 (U-065)
(U-18452)

Moab District
P. O. Box 970
Moab, Utah 84532

FEB 15 1984

Tricontrol Resources Inc.
c/o Permitco
1020 - 15th Street, Ste. 22E
Denver, CO 80202

Re: Rescind Application for Permit
to Drill
Well No. Nancy Federal 35-32
Section 35, T. 37 S., R. 25 E.
San Juan County, Utah
Lease U-18452

Gentlemen:

The Application for Permit to Drill the referenced well was approved on October 7, 1982. Since that date no known activity has transpired at the approved location. Under current District policy, applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must then be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

/S/ GENE NODINE
District Manager

cc: San Juan Resource Area

bcc: State O&M ✓
U-942

CPreudiger/cf 2/14/84

RECEIVED
FEB 17 1984

DIVISION OF
OIL, GAS & MINING



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

February 22, 1984

Tricentraol Resources, Inc.
c/o Permitco
1020 - 15th Street, Suite 22E
Denver, Colorado 80202

RE: Application for Permit to Drill
Well No. Nancy Federal 35-32
Sec. 35, T. 37S, R. 25E
San Juan County, Utah

Gentlemen:

Approval of Application for Permit to Drill the above referenced well is rescinded without prejudice as of the above date in concert with action taken by Branch of Fluid Minerals.

If you intend to drill this location at a future date, a new application for permit to drill may be submitted for State approval.

Sincerely,

R. J. Firth
Chief Petroleum Engineer

RJF/as